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TREASURER ANGELIDES COMMENTS ON
LEGISLATIVE ANALYST'S FISCAL PROJECTIONS

SACRAMENTO, CA – State Treasurer Phil Angelides had the following comments today in response to Legislative Analyst Elizabeth Hill's release of her office's "California Fiscal Outlook" with budget projections through the 2009-2010 fiscal year. In that analysis, the Legislative Analyst projects a budget deficit estimated at $6.7 billion in FY 2005-2006 and a deficit reaching nearly $10 billion by FY 2006-2007.

"The non-partisan Legislative Analyst's fiscal analysis confirms what the Treasurer's Office has pointed out and will continue to point out: California's budget deficit is severe, and will worsen in the next two years if serious actions are not taken. Despite higher revenues and Governor Schwarzenegger's promise to end the State's deficit spending, the Legislative Analyst is now projecting that the State will face a deficit of $10 billion by 2006 – an amount exceeding the budget deficit when Gray Davis left office. It is time for Governor Schwarzenegger to put forth a truly balanced budget because California simply cannot afford the price of putting off the tough choices any longer."

"So far, Governor Schwarzenegger has refused to take on the State's serious financial problems – in fact, he has actually taken us in the wrong direction. He has relied on billions of dollars of new borrowing that has saddled our children with debt while at the same time slashed investments in higher education that will secure our future. He has cut programs that help working families, but asked nothing of the most fortunate among us. His borrowing will cost the State an astounding $4 billion in FY 2006-2007 alone – 40% of the projected deficit."

"Governor Schwarzenegger needs to live up to promises he made to the people of California and adopt a budget that is balanced, fair, and that invests in our future."

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